

Montana Transportation Commission

June 15, 2005 – Telephone meeting

Please note: an audio recording of the meeting is available from the transportation commission secretary at (406) 444-7200 or ldemont@mt.gov. Alternative accessible formats of this document will be provided upon request. For additional information, please call (406) 444-7200 or visit the commission's web site at http://www.mdt.state.mt.us/trans_comm/. The TTY number is (406) 444-7696 or 1-800-335-7592.

Note: ==> indicates follow-up is needed.

The Montana Transportation Commission met via conference call on June 15, 2005. Chairman Kennedy called the meeting to order at 2:09 pm on June 15, 2005. The following people were in attendance:

Bill Kennedy, Transportation Commission Chair (District 5)
Nancy Espy, Transportation Commission Vice Chair (District 4)
Kevin Howlett, District 1 Transportation Commissioner
Rick Griffith, District 2 Transportation Commissioner
Jim Lynch, MDT Director
Jim Currie, MDT Deputy Director
Tim Reardon, MDT Chief Counsel
Loran Frazier, MDT Acting Chief Engineer
Mark Wissinger, MDT Construction Engineer
Mac McArthur, MDT Design-Build Engineer
Paul Ferry, Highways Engineer
Michael Kulbacki, FHWA Field Operations Engineer
Alan Woodmansey, FHWA Operations Engineer (District 5)
Michael Duman, FHWA Assistant Division Administrator

Matt Strizich, MDT Materials Engineer
Jean Riley, MDT Environmental Services Bureau Chief
Suzy Althof, Contract Plans Bureau Chief
Lorelle Demont, MDT Commission Secretary
Jay Muhlbeier, MDT Billings Construction
Stefan Streeter, MDT Billings Construction
Rich Jackson, MDT Billings Construction
Kevin Christensen, MDT Butte Construction
Tom Pettigrew, US Forest Service Northern Region –
Region 1 Engineering
Representatives from Kiewit Western Company: Gregg
Teets, Jeff Kresl, Brett Smith
Representatives from HKM Inc.: John Shoff

Agenda item 1: Review recommendations regarding Beartooth Emergency Repair project contract award

Lynch said we have an emergency situation on the Beartooth; we have applied for federal funding and we have great support from our congressional delegation. Already, \$2 million has been advanced to us, which is the largest sum ever advanced on projects of this sort. We have estimated the project will cost \$20.4 million.

In response to our request for proposals, we received one proposal from the team (firm) of Kiewit Western Company/HKM Engineering, Inc./JTL Group, Inc.. It is a good proposal. We had a meeting with the firm today.

Commissioner Griffith asked why only one proposal? Lynch said it is a pretty complex project and therefore we saw a reduced number of bidders. Bear in mind that not a lot of companies have the expertise, equipment or personnel to get it done; also, the time frame is a consideration – it's construction season and a lot of companies already have their plates filled. We specified very short time frames between the bid and start of work phases. There was a lot of interest, as evidenced by the many phone calls we received, but ultimately only one proposal.

Frazier said we set up criteria to score the proposals. We did a technical review, plus a cost comparison to the blue book rates. The proposal then went before a selection committee. We had two sets of eyes in two different groups looking at it. The minimum score was 60% and theirs was about 75%.

Frazier recommended the Transportation Commission award the force account contract to the Kiewit Western company/HKM Engineering, Inc./JTL Group, Inc. team, provided that

the language is included in the contract to require that all cost items be eligible for Title 23 reimbursement.

Chairman Kennedy asked if there was anything of concern in the proposal from MDT's perspective. Frazier emphasized the importance of including the Title 23 federal reimbursement requirements in the contract.

Commissioner Howlett noted that given there was not a lot of time, we would assume there would be modifications needed down the road. He expressed concern about the estimated cost doubling as the project progressed. Lynch said that was a concern shared by several. He said MDT's engineering staff made an educated estimate of the cost (\$20.4 million) and the contractor came up with the same approximate estimate. There is a possibility that it could cost more but there is an equal possibility that it could cost less. We were comforted that the firm came up with the same estimate.

Commissioners Howlett and Espy voiced concern for the physical safety of those working on the project.

Chairman Kennedy asked Lynch to describe the funding for the project. Lynch said we have had tremendous support from our congressional delegation as well as US DOT Secretary Norm Mineta. There are a lot of potential sources of funding and we will not leave any options unexplored. Our number one option is Emergency Relief (ER) funding from FHWA. Those monies come in on top of our federal allocation, which means funding to our financial districts would be unaffected. We do have to compete, though, with other emergencies nationwide. The \$2 million that we've already received is ER funding. We will have to advance construct some of this while we wait for more funding.

Chairman Kennedy asked about the high priority funding from Wyoming. Lynch said we've talked with Wyoming. They have decided not to do the project planned on the Wyoming side this construction season. This then means they wouldn't need the funding which they can then lend to us. We would pay them back out of any funding we receive for the project. There is a possibility they will administer the funding rather than going through the process of transferring it to us.

Lynch said the last alternative (and our least favorite) is to look at an earmark. The problems with this option are two-fold:

1. It could be part of our overall funding to the state which reduces it by \$20 million
2. The project would compete with other earmark projects.

Lynch said that in talking with the congressional delegation and the Federal Highway Administration, we're very confident that we will get ER funding.

Commissioner Espy asked if the state would have to pay for the project up front and submit for reimbursement. Lynch said we will use advance construct. Commissioner Howlett noted that the new fiscal year starts in a few weeks which would help.

Commissioner Espy moved to accept the staff recommendation; Commissioner Howlett seconded the motion. All four commissioners voted aye.

Lynch noted that there has been an awful lot of work done by MDT and the private sector in the last three weeks to get where we are today. We set an aggressive time schedule and I'm impressed with all who worked together to see that we were able to meet it. They did "one heck of a job," he said. He acknowledged Tom Pettigrew of the US Forest Service, Suzanne Lewis of the National Park Service, and the Towns of Red Lodge and Cooke City, for their involvement. => Lynch will provide the commission with a complete list of names.

Chairman Kennedy said that to get this pulled together in less than 10 days is unthinkable. The commissioners expressed their appreciation for all that's been done, and asked that their thanks be conveyed to Jan Brown and her crew at FHWA.

Chairman Kennedy asked if the work would be round the clock. Lynch said the contractor has specified a six-day work week with two shifts per day, with Sunday work taking place as needed to perform any “catch up” in order to stay on schedule. The contractor team intends to complete the work on or before October 15, 2005.

Commissioner Howlett said he went to a tribal safety meeting recently and was impressed with the issues that were raised. He thanked Jim Lynch, MDT and FHWA for pulling it together. It is the first of its type in the nation.

The call concluded at 2:32 pm.

Bill Kennedy, Chairman
Montana Transportation Commission

Jim Lynch, Director
Montana Department of Transportation

Lorelle Demont, Secretary
Montana Transportation Commission

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